

## TECHNICAL SUMMARY

**STUDY TITLE:** Commute Employment: Implications And Best Practice Approaches.

**REPORT TITLE:** The Effects Of Offshore Employment In The Petroleum Industry: A Cross-National Perspective

**CONTRACT NUMBER(S):** 17086

**SPONSORING OCS REGION:** Environmental Studies Program Headquarters

**APPLICABLE PLANNING AREA(S):** All

**FISCAL YEAR(S) OF PROJECT FUNDING:** 2000 - 2001

**COMPLETION DATE OF REPORT:** November 2001

**COST(S):** FY 2000: \$99,855; CUMULATIVE PROJECT COST: \$99,855

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**KEY WORDS:** socioeconomic studies; Alaska; Pacific; Gulf of Mexico; North Sea; Newfoundland; employment; families; women; children; communities; social change; industry change; cost-reduction; unionization; work schedules; shift-work; commuting; fatigue; stress; safety; accommodations; transportation; communications; human resources; hiring; orientation; parenting; counseling.

**BACKGROUND:** Both the Outer Continental Shelf Lands Act as amended in 1978 and the National Environmental Policy Act of 1969 direct the Minerals Management Service (MMS) to study the human and non-human environment of OCS oil and gas development and to provide the MMS and State and local governments with information needed to ensure that OCS activities are conducted in an environmentally safe and appropriate manner. Within the MMS, the Environmental Studies Program (ESP) bears this responsibility. The social and economic effects of OCS activity often are the most immediately apparent and long lasting.

This includes the effects of offshore employment, which are born by the workers themselves and their employers, families and communities. These effects are not fully understood, not least because there have been rapid changes in both the industry and its working practices, and in the expectations and aspirations of offshore workers and their family members. In the former case, new technologies have changed the industry's modes of operation and labor requirements. This is especially the case in the Gulf of Mexico, given the slow shift from myriad small near-shore operations to larger deep-water projects. Furthermore, new business arrangements and cost-reduction initiatives have led to crew reductions, a fragmentation of work teams, an increased use of contractor personnel and flexible, irregular and 'call-out' schedules, and an intensification of work activity and pressures.

At the same time, younger workers and spouses increasingly define themselves in terms of their personal and family, rather than work, lives. Exacerbated by the changes in business arrangements and practices, this has led to a decline in loyalty to employers. These younger couples also more commonly share domestic responsibilities, including decision-making, and female spouses are more likely to want and hold paid employment.

**OBJECTIVES:** To complement other Minerals Management Service (MMS) studies by providing detailed information on the effects of offshore employment and the options for managing them.

**DESCRIPTION:** The project saw the initial preparation of a bibliography on commute employment, its effects and their management. This bibliography covers offshore employment in the US, Canada, the United Kingdom, Norway and other jurisdictions, as well as the use of commute work in the mining industry. Based on review of this material, key informant interviews and the professional knowledge of the principal investigators, this report provides a summary and discussion of the use of commute employment, its effects and their management. It benefited greatly from a December 2000 review workshop held in New Orleans, Louisiana, that was attended by regulators, consultants, academics and industry representatives from the US, Canada, England and Scotland.

**SIGNIFICANT CONCLUSIONS:** Offshore employment is not inherently problematic, offering both advantages and disadvantages for workers, their families, their communities and those responsible for employment-related concerns. It has implications for various work and family life issues, including: health and safety; the employment of women, minorities and older workers; and family life. It also affects the communities and regions where workers live, in terms of residential patterns, expenditures, non-commute employment, local investment, community life and social and recreational services.

The challenge for all concerned is to recognize and address the negative effects. From an industry perspective, the benefits of doing so can be considerable, in terms of retention rates, safety and productivity, and the costs modest. Employer initiatives *re* work schedules, accommodations, transportation, communications, hiring, orientation, counseling and family policies and services can optimize the effects of the offshore employment. Regulatory authorities, local government agencies, community groups, workers and their families also have an important role to play in addressing these effects.

However, the literature on offshore employment focuses on large operations and companies, fixed work schedules, and married male workers, and often uses limited, qualitative and anecdotal data. Some important studies are old and particular to specific operations and contexts, and there is little systematic information on response initiatives and their success. These limitations are exacerbated by the rapid pace of change in the industry and in the attitudes and expectations of workers and their families.

**STUDY RESULTS:** The research demonstrates that there are important gaps in the understanding of offshore employment, its effects and best practice responses. However, offshore employment clearly has significant effects on some workers, families and communities, and on workplace health and safety, retention, productivity. Recent industry changes have generally had negative effects in respect to all these issues, as well as reducing the loyalty of employees to their employers and *vice versa*. Given these findings, it is important that the industry, regulators and others pay increased attention to the human resources issues associated with offshore employment, especially as they relate to the effects on workers and their families. This includes an increase in research into different aspects of offshore employment and its effects.

**STUDY PRODUCT(S):** Community Resource Services Ltd. 2001. The effects of offshore employment in the petroleum industry: a cross-national perspective. A final report for the U.S. Department of the Interior, Minerals Management Service Environmental Studies Program, Herndon, Virginia. Contract No. 17086. ? pp.

\* P.I.'s affiliation may be different than that listed for Project Manager(s).